

ASSESSING AND STREAMLINING POTENTIALS OF OPEN BALKAN INITIATIVE

PROGRESS WITH NARROWING THE ADMINISTRATIVE GAP OF THE OPEN BALKAN INITIATIVE-OBI IN THE AREA OF FREE ACCESS TO LABOR MARKET IN THE WESTERN BALKAN

Final version

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Title:	PROGRESS WITH NARROWING THE ADMINISTRATIVE GAP OF THE OPEN BALKAN INITIATIVE-OBI IN THE AREA OF FREE ACCESS TO LABOR MARKET IN THE WESTERN BALKAN
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About the Project

CENTER FOR ECONOMIC ANALYSES-CEA IS CONDUCTING A ONE-YEAR OSF PROJECT TITLED: <u>ASSESSING AND STREAMLINING POTENTIALS OF THE OPEN BALKAN INITIATIVE</u> (OBI).

BACKGROUND

Recognizing the lack of interest of the EU in enlargement in the Western Balkans, Serbian President Aleksandar Vučić, the Prime Minister of North Macedonia, Zoran Zaev, and Albanian Prime Minister Edi Rama decided to "take destiny in their own hands" and launch a "mini-Schengen" in October 2019. In July 2021, this idea evolved into a regional initiative "**Open Balkan**¹". The initiative is no substitute for membership in the EU, but a path to accelerated membership and utilization of the existing but insufficiently used potentials in these countries, which might facilitate additional economic growth and development, and thus, welfare for their citizens.

CHALLENGES TO KEEP THE MOMENTUM

Developing and cultivating neighborly relations in the Western Balkans in expectation of economic prosperity will require eliminating border controls and other barriers in order to facilitate the movement of people, goods and services, and capital in the region. Regional disparities analyses (for example, coastal vs. internal, NUTS 2 and NUTS 3 regions, urban vs. rural, capital cities vs. other cities) of the Open Balkan countries might offer insights when determining priorities for more accelerated growth and internal convergence of the Open Balkan region. At the moment, there is a lack of properly elaborated analyses to assess the existing challenges.

The Covid-19 pandemic, the food and energy crises, and the war in Ukraine illuminate the importance of internal cooperation and coordination and need for mutual understanding and solidarity among Open Balkan countries. Internal coordination and cooperation, exchange of experiences, and solidarity in the region bring value to future EU integration if the Open Balkan countries can speak in one voice.

The region's external environment, especially now with the war in Ukraine, emphasizes the importance of cooperation and coordination and the need for mutual understanding and solidarity.

TOOLS AND INSTRUMENTS FOR ASSESSING THE POTENTIALS FOR ACHIEVING COOPERATION AND COORDINATION

While on the highest political level there is still evidence of political will for Open Balkan, on the administrative level, or "on the ground", people cannot really sense the benefits of this initiative just yet. At the very least, what is missing is more evidence-based policy research on the bottlenecks in cooperation and potential of the six countries of the Open Balkan.

ACTIVITIES OF THE PROJECT

An independent pool of experts from the six countries diagnosing and investigating the bottlenecks for cooperation and coordination among the Open Balkan countries will add value to the already demonstrated political will for the Open Balkan Initiative, leading to its more structured, priority-focused, and systematic development.

¹ By Open Balkan Initiative, we will define the territorial space of six countries of the Western Balkan-WB6: Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Kosovo, and Serbia.

Background

As per the ToR, this regional research project has four main tasks (all information and documents available here: <u>https://cea.org.mk/proekt-otsenka-i-nasochuvane-na-potentsijalite-na-initsijativata-otvoren-balkan/</u>):

- TASK 1: Country analysis screening focused on the Open Balkan Initiative-OBI
- TASK 2: Disparities analysis
- TASK 3: Administrative gaps and bottlenecks assessment
- TASK 4: Open Balkan macroeconomic forecasts

<u>The point with the TASK 1 was</u> to take into account the fact that almost any political initiative could be implemented but the ultimate goal of any political initiative should be the improved welfare of the citizens. Thus, the political idea and will behind the Open Balkan should be somehow transferred vertically from the political actors on power (executive-government and legislative-parliament) through the administration with the instruments of the meetings, sessions, strategies, action plans, programs etc. and their implementation to the citizens and even more to the improved benefit of the citizens. See more: https://cea.org.mk/wp-content/uploads/2019/09/1.-OBI-Project-Regional-Report_Task-Final_NAJFINAL-CIP29052023.pdf.

The point with the TASK 2 was to recognize that each of the WB6 countries have its own characteristics thus, there are disparities within and among the countries but also similarities. That is why we want to analyze the disparities and similarities at EU's NUTS 3 regions depending on the data available. The idea is that given the OBI MoUs and the OBI Agreements and the EU's freedom of movements some NUTS regions of the WB6 countries might have more similarities among themselves than the others. Thus, those NUTS 3 regions that are clustering e.g., are showing similarities in some demographic attributes and/or some socio-economic attributes might be a platform for more efficient implementation of the EU's freedom of movements and the objectives of the OBI MoUs and OBI Agreements. This does not mean that the regions that are with more disparities cannot achieve the same objectives. It just demonstrates that for more similar regions the policies might be implemented more efficiently as they have similar challenges. Those regions that show larger disparities will probably need more resources to reach convergence and less inequalities. See more: https://cea.org.mk/wp-content/uploads/2019/09/1.1.-VOL-1-Report-Disparity-Ananlysis_withCIP12062023N.pdf. Also: https://cea.org.mk/wp-content/uploads/2019/09/2.1.-VOL-2-Report-Task-2-Economic-view-of-disparities_withCIP12062023N.pdf. and also: https://cea.org.mk/wp-content/uploads/2019/09/2.1.-VOL-2-Report-Task-2-Economic-view-of-disparities_withCIP12062023N.pdf.

<u>The point with the TASK 3 was to</u> do fact-check about the main initiatives with the potentials of the administration to administer the initiatives. In this part we identified an OBI Agreement and for the identified one did fact-check and prepared recommendations with a list of potential legislative changes.

Given the resources of the project we identified OBI Agreement on Conditions for Free Access to the Labor Market (provided this Agreement enters into force its application shall begin on the date of entry into force of the Agreement on interconnection of schemes for electronic implementation of the citizens of WB). This Agreement was also pointed out as the most significant for the business community field work and discussions in Skopje and Belgrade.

We developed a tool to assess if the participating OBI countries have developed/adopted/established any bylaws, protocols or other follow-up instruments prescribed in the OBI MoUs and the OBI Agreements. Finally, for the fact check of the implementation of the identified OBI Agreement experts of the six

countries assessed the administrative gap and came up with recommendations about the list of potential legislative changes. Thus, the TASK 3 comprised:

- 1. Workshop with business community in North Macedonia and Serbia to get the perception of the businesses about the relative importance of the OBI MoUs and the OBI Agreements (participating and non-participating countries);
- 2. Implementing a tool to assess if the participating OBI countries have developed/adopted/established any bylaws, protocols or other follow-up instruments prescribed in the OBI MoUs and the OBI Agreements (participating countries only);
- 3. Fact checks about the implementation of the one identified OBI *Agreement on Conditions for Free Access to the Labor Market* and preparation of recommendations with a list of potential legislative changes (participating and non-participating countries).

See more: <u>https://cea.org.mk/wp-content/uploads/2019/09/1-Report-Task-3-administrative-gap-assessment-labor-market-access_FINAL_publish-1.pdf</u>.

<u>The point with the TASK 4 was to</u> investigate the economic benefits/loss of participating/not-participating the OBI initiative for countries in the WB, individually and as a group (region) with full and partial integration, versus the Berlin Process, through the prism of long-term forecast of key macroeconomic indicators. Details on the assumptions behind the scenarios and the results are presented in this document. Three scenarios were quantified, analyzed and results are presented:

- 1. Only three countries (Albania, North Macedonia and Serbia) are part of the OBI initiative;
- 2. All six WB countries become OBI members;
- 3. OBI initiative is melted into Berlin Process.

See more: <u>https://cea.org.mk/wp-content/uploads/2019/09/1-Report-Task-4-Macromodelling_ENG-1.pdf</u>.

IMPORTANT NOTE: Country experts took a neutral stance and unbiased approach as they conduct the data collection and analysis for this research task. No matter on one's stance towards OBI, be that informed criticism or support of the initiative, their opinion should not affect the data collection process, the process of data analysis so it does not favor, nor disregard, nor encourage one answer or outcome over others.

The OBI countries from the Western Balkan (Albania, North Macedonia and Serbia) are defined for the purpose of understanding in this document as <u>"participating"</u> and the countries from the Western Balkan that are not part of the OBI (Bosnia and Hercegovina, Kosovo and Montenegro) are defined for the purpose of understanding in this document as <u>"not-participating"</u>.

Introduction

Last year in September (2023), within Task 3, we completed an administrative gap assessment for the OBI, prepared regional report and provided recommendations with a list of potential legislative changes.

<u>The purpose of this document is to test the progress with the administrative gap of the Open Balkan</u> <u>Initiative-OBI in the area of free access to labor market. We completed this within the Final Task of</u> <u>the overall project concept.</u>

Rationale: In January 2024 two new OBI protocols were signed by the leaders of ALB, MK and SRB. This document summarizes what the administration in these three countries have done so far with the memorandums and agreements signed before the new protocols were signed but also to assess what is the level of preparedness of the administration to assume operationalization of the two new protocols.

Sub-activities: CEA prepared ToR and methodology and contracted and coordinated the country experts. Next step is for this report to be translated to ALB, SRB, MK languages and will be disseminated on the web pages of the organizations that were engaged in this project.

The two objectives of this FINAL TASK are to test the progress with narrowing the administrative gap of the Open Balkan Initiative-OBI in the area of free access to labor market. More precisely:

- 1. Make an update of the status of the administrative gap assessment that was prepared in September 2023 as a cutoff date for all six countries and to
- 2. Make an assessment of the status of the two Protocols signed-in January 2024 (only by the OBI participating countries) for the:
 - a. First Protocol on the implementation of the Agreement on the conditions for free access to the labor market in the Western Balkans (https://vlada.mk/sites/default/files/dokumenti/Otvoren_Balkan/protokol_on_the_labor_market1.pdf):
 - i. If the Joint Working Group-JWG has been established for the implementation of the Agreement on the conditions for free access to the labor market in the Western Balkans
 - ii. If a person with a duty to lead and to co-chair the JWG has been appointed
 - iii. If information about the established JWG has been shared among the three OBI participating countries
 - iv. If the online electronic service for registration has been established on the e-Government Portal
 - v. If the online electronic service for registration has been established on the e-Government Portal and if it is already operational
 - vi. If there is a precedent with an applicant that already used the online electronic service for registration
 - vii. If there is a precedent and the applicant is already registered and submitted application
 - viii. If the applicant received electronic approval and if she/he is approved a free access of labor market
 - ix. If the authorities of the OBI participating countries (as per Article 4 of the Protocol) already prepared proper electronic sealed document as an approval (rejection) document for the applicant

- b. Protocol on implementation of the interconnections od schemes for electronic identification of the citizens of the Western Balkans (https://vlada.mk/sites/default/files/dokumenti/Otvoren_Balkan/protokol_elektronska_ide ntifikacija1.pdf):
 - i. If the Joint Working Group-JWG has been established for the implementation of the interconnections od schemes for electronic identification of the citizens of the Western Balkans
 - ii. If a person with a duty to lead and to co-chair the JWG has been appointed
 - iii. If information about the established JWG has been shared among the three OBI participating countries
 - iv. If the Protocol on implementation of the interconnections od schemes for electronic identification of the citizens of the Western Balkans entered into force as per the Article 4 of this Protocol

Further in the text we present the analysis of the assessment for the two objectives. This analysis is based on the separate country reports prepared by the country experts.

Update of the status of the administrative gap assessment

Participating and non-participating OBI countries experts do took actions on this objective one.

Methodology

For the first objective related to providing an update of the status of the administrative gap assessment from September 2023 to the end of February 2024 the experts:

- Went through the regional report that was prepared in September 2023: Strategic assessment of present state, how it is planned with OBI and the administrative gap identification for the agreement on conditions for free access to the labor market in the Western Balkan
- Went through the country reports they have prepared
- Provided answers to the following questions:
 - Are there any amendments in the legislation in need and/or new (sub)legislation prepared from September 2023 until end of February 2024 (check Table 2 for the specific country from the document that was prepared in September 2023: <u>https://cea.org.mk/tsea-studijaotvoren-balkan-i-administrativniot-jaz-za-dogovorot-za-sloboden-pristap-do-pazarot-natrudot/</u>)
 - Are there any improvements related to the procedures, staff and equipment prepared from September 2023 till end of February 2024 (check Table 3 for the specific country from the document that was prepared in September 2023: <u>https://cea.org.mk/tsea-studija-otvorenbalkan-i-administrativniot-jaz-za-dogovorot-za-sloboden-pristap-do-pazarot-na-trudot/</u>)

The assessments for achieving this first objective follow.

Assessment

We present a summary of the assessment from the experts in the next table².

COUNTRY	AMENDMENTS AND NEW LEGISLATION FROM SEPTEMBER 2023 TILL THE END OF FEBRUARY 2024	PROCEDURES, STAFF, AND EQUIPMENT IMPROVEMENTS FROM SEPTEMBER 2023 TILL THE END OF FEBRUARY 2024
Albania	No changes	A landing page can be retrieved by Google search, but it is not effective.
Bosnia and Herzegovina	No changes	No changes
Kosovo	No changes	No changes
Montenegro	Adopted a set of legislation	Improvements with procedures of obtaining a work permit
North Macedonia	The Government has increased the number of work permits that can be issued to foreigners from 7000 in 2023 to 20000 in 2024. These permits are issued under ordinary procedures defined in the Law on foreigners and Law on Employment.	Two services were established on the e- Government Portal: a) "My Open Balkan identification number" and b) "Approval for free access to the labor market". Connections tend to be disrupted though.
Serbia	Amendments from April 2023 came into effect on February 1 st , 2024 on the Law on foreigners and Law on Employment of foreigners With these changes the procedure for	The application for electronic submission of requests for a unified residence and work permit has become (mostly) operational. The Open Balkan application for free
	employing foreign workers in Serbia has been facilitated.	access to labor market has started operating

Adopted from the Country reports from the experts. More details in the separate country reports.

Conclusion

- There are some positive movements forward:
 - In Albania related to the Law on aliens, regulating the entry, stay and work of aliens in the Republic of Albania, a landing page can be retrieved by Google search, but it is not effective.
 - In North Macedonia the Government has nominated representatives of the Ministry of Interior Affairs, Ministry of Information Society and Media, Ministry of Labor and Social policy and the Employment Service Agency who are responsible for the implementation of the Protocol to the Agreement on conditions for free access to the labor market in the Western Balkans (Labor Market Agreement) and the Protocol on Agreement on interconnection of schemes for electronic identification of the citizens of the Western Balkans (ID Agreement). The joint work and communication have been established on expert level in for drafting of the agreements and implementation protocols. Nevertheless, the research has not been able to acquire information on progress on the adoption of Rule of Procedure, nor if a trilateral Joint Committee has been established.
 - Montenegro is the only one that adopted Law on Confirmation of the Agreement on the Recognition of Professional Qualifications of General Care Nurses, Doctors of Veterinary Medicine, Pharmacists and Midwives in the Context of the Central European Free Trade Agreement (Official Gazette of Montenegro 12/2023 from 31.12.2023).

² Detailed tables as submitted by experts are available at the separate Country reports.

- Montenegro adopted the Law on Confirmation of the Agreement on the Recognition of Professional Qualifications for Doctors of Medicine, Doctors of Dentistry and Architects in the Context of the Central European Free Trade Agreement (Official Gazette of Montenegro 11/2023 from 22.12.2023).
- Montenegro adopted the Law on Confirmation of the Agreement on the Recognition of Qualifications in the Field of Higher Education in the Western Balkans (Official Gazette of Montenegro 11/2023 from 22.12.2023).
- Businesses are not informed at wide about the Agreements on the recognition of qualifications and the potential benefits they can bring to them. Thus, the vertical information passing from government to businesses is slow and not efficient.
- Montenegro moved toward a procedural relief, which is that the employer can complete the entire procedure of obtaining a work permit before the foreigner's arrival. But if he manages to obtain a permit, the employer is responsible for that foreigner, even if he is denied a work permit. Although the law stipulates that the registration of foreigners is done electronically, this has not yet been implemented. Businessmen believe that the procedure of applying for foreigners and obtaining a work permit would be significantly easier if the application was done electronically.
- In Serbia now with amendments on power in the Law on Employment of foreigners the employer files the application for the Unified work and residence permit electronically via the eGovernment website.
- The process is moving but it is too slow and sensitive to external shocks depending on the political situation in the region.
- The process is also sensitive to the willingness and quick adjustment toward digitization and the benefits it can bring.
- Still, even with an unfriendly political environment, the process of enabling environment for free access to labor market in the region is moving forward with small steps.
- The period from September 2023 to end of March 2024 was relatively short and in time when the challenges related to the expected elections in the countries and the current challenges in the region occurred. Nevertheless, experts can detect some movements toward implementation of the two new Protocols signed in January 2024 (see in the next sections).

Given the monitoring of the progress in this FINAL TASK of the Project we cannot find significant changes in narrowing the administrative gap in this short period of monitoring from September 2023 to end of March 2024. The only change in the qualification in the matrix of readiness of the countries to fully implement Open Balkan Initiative is in North Macedonia. Given that the implementation precools have been signed, the legislative gap has been narrowed down compared to September 2023. The scores are presented in the table below.

Country	Albania	Bosnia and Herzegovina	Kosovo	Montenegro	North Macedonia	Serbia
Assessment	The country is ready to assume implementation of the Agreement on Conditions for Free Access to the Labor Market in the WB with major modifications in the legislation and sub- legislation procedure introduction and/or new staff systematization and/or planning and procuring new equipment. For legislation: 4 For procedures: 4 For staff in need: 4 For equipment in need: 2 Sum: 14	The country is not ready to assume implementation of the Agreement on Conditions for Free Access to the Labor Market in the WB and require major legislative actions, public finance planning and execution and public procurement planning and implementation For legislation: 5 For procedures: 5 For staff in need: 4 For equipment in need: 5 Sum: 19	The country is ready to assume implementation of the Agreement on Conditions for Free Access to the Labor Market in the WB with major modifications in the legislation and sub- legislation procedure introduction and/or new staff systematization and/or planning and procuring new equipment For legislation: 5 For procedures: 4 For staff in need: 3 For equipment in need: 3	The country is not ready to assume implementation of the Agreement on Conditions for Free Access to the Labor Market in the WB and require major legislative actions, public finance planning and execution and public procurement planning and implementation For legislation: 5 For procedures: 4 For staff in need: 4 For equipment in need: 4 Sum: 17	The country is somehow ready to assume implementation of the Agreement on Conditions for Free Access to the Labor Market in the WB with modifications in the legislation/sub- legislation and/or procedures introduction and/or new staff systematization and/or planning and procuring new equipment For legislation: 2 For procedures: 3 For staff in need: 3 For equipment in need: 2 Sum: 10	The country is somehow ready to assume implementation of the Agreement on Conditions for Free Access to the Labor Market in the WB with modifications in the legislation/sub- legislation and/or procedures introduction and/or new staff systematization and/or planning and procuring new equipment For legislation: 2 For procedures: 2 For staff in need: 3 For equipment in need: 3

Please, see details about the methodology behind the Matrix in the Annex 1.

Assessment of the status of the two Protocols signed-in in January 2024

Non-participating OBI countries experts do not took actions on this objective two.

In January 2024 two new OBI protocols for enabling free access to the labor market were signed by the leaders of ALB, MK and SRB. In this document we further assess what is the level of preparedness of the administration of the three countries to assume operationalization of the two new protocols. Cutoff date of the research was end of March 2024

Methodology

For this second objective the representatives of the OBI participating countries analyzed the:

1. First Protocol on the implementation of the Agreement on the conditions for free access to the labor market in the Western Balkans

(https://vlada.mk/sites/default/files/dokumenti/Otvoren Balkan/protokol on the labor ma rket1.pdf) and

2. Protocol on implementation of the interconnections od schemes for electronic identification of the citizens of the Western Balkans (https://vlada.mk/sites/default/files/dokumenti/Otvoren Balkan/protokol elektronska ident ifikacija1.pdf)

For these two Protocols the experts from the **<u>OBI participating countries</u>** made an assessment of the status of the Protocols by providing answers to predetermined questions. We present questions, analysis of answers and conclusion.

Assessment on the protocol on the implementation of the agreement on the conditions for free access to the labor market in the Western Balkans

ThisProtocolcanbefoundhere:https://vlada.mk/sites/default/files/dokumenti/OtvorenBalkan/protokol_on_the_labor_market1.pdf).

Assessment questions:

i. If the Joint Working Group-JWG has been established for the implementation of the Agreement on the conditions for free access to the labor market in the Western Balkans

Albania	North Macedonia	Serbia
No	Established on expert level	Yes

ii. If a person with a duty to lead and to co-chair the JWG has been appointed

Albania	North Macedonia	Serbia
No	Not conclusive.	Yes, Mr. Petar Janjić, from the General Secretariat of the Government

iii. If information about the established JWG has been shared among the three OBI participating countries

Albania	North Macedonia	Serbia
No	Ministry of Foreign Affairs of North	Yes. Only with Albania.
	Macedonia has informed the Ministry of	
	Europe and Foreign Affairs of Albania	

iv. If the online electronic service for registration has been established on the e-Government Portal

Albania	North Macedonia	Serbia
Yes: https://e-	Yes: Two services were	Yes.
albania.al/eAlbaniaServices/UseService.aspx?service_code=15486	established on the e-	
	Government Portal: a) "My	
	Open Balkan identification	

number" and b) "Approval
for free access to the labor
market"

v. If the online electronic service for registration has been established on the e-Government Portal and if it is already operational

Albania	North Macedonia	Serbia
Yes, but not operational yet: If a search for the service is performed under the e-services list, the "free access to the labor market" does not yield any result. With a Google search, the "Free access to the labor market" yields a link to the e-Albania portal of services as follows: https://e- lbania.al/eAlbaniaServices/UseService.aspx?service_code=15486 and is available only to citizens in possession of the Open Balkan ID. With the Open Balkan ID tag, there are no listed services in the portal (when searching in the category of services). The service description is in Albanian, English, Macedonian and Serbian.	Yes, it is operational. But the online service is disrupted once in a while, due to periodic system failure and restored after the issues have been addressed.	

vi. If there is a precedent with an applicant that already used the online electronic service for registration

Albania	North Macedonia	Serbia
No	There are 54 unique profiles of citizens of Serbia and one unique profile of a citizens of Albania registered on the e- government portal.	Yes, there are more than 2.000 people who received their Open Balkan ID.
	According to the data obtained, the 33 applications of Serbian citizens are in the process of issuing a Unique identification number for foreigners from the Ministry of Interior Affairs.	
	There are 1,226 applications from Macedonian citizens for the service "My Open Balkan identification number".	
	This is the first step for citizens of North Macedonia to utilize the service "Approval for free access to the labor market" on the e-government portal in Albania and Serbia.	

vii. If there is a precedent and the applicant is already registered and submitted application

Albania	North Macedonia	Serbia
No	As of 29 th of March, there are 33 applications from Serbian citizens and one request from Albanian citizens for the service "My Open Balkan identification number".	Macedonia and Albania (cutoff date: 5 th

NOTE: The cut-off date for this research is end of March 2024 which does not cover the legal deadline for approval or rejection to utilize these services is 30 days from the day of applications as per the Labor Market Agreement. Further research could explore the resolution of these applications.

viii. If the applicant received electronic approval and if she/he is approved a free access of labor market

Albania	North Macedonia	Serbia
No	As of 29 th of March, there are no application that have been resolved, ether positively or negatively for the applications.	were approved (cutoff date: 5th of March

ix. If the authorities of the OBI participating countries (as per Article 4 of the Protocol) already prepared proper electronic sealed document as an approval (rejection) document for the applicant

Albania	North Macedonia	Serbia
No	Yes.	Yes

After providing answers to the above questions country experts from the OBI participating countries provided explanatory text for:

Expert assessment on the First Protocol on the implementation of the Agreement on the conditions for free access to the labor market in the Western Balkans (here make assessment following your desk research and the field work). Also, make expert FINAL assessment:

- If as per your informed expert opinion the First protocol will be ready to be implemented in the next 6 months
- If as per your informed expert opinion the First protocol will be ready to be implemented in the next 12 months
- If as per your informed expert opinion the First protocol will be ready to be implemented in the next 18 months

Ready to implement in:	Albania	North Macedonia*	Serbia
6 months		1	1
12 months		1 T	
18 months	1	1	

*Assessed as ongoing.

Conclusions

Overall, Serbia is progressing the most in enabling the environment for free access of labor force market in the space of the three countries and as perceived with the two Protocols and overall Open Balkan Initiative.

The three countries have established the online platform but the implementation ranges from not operational in Albania to fully operational in Serbia and to some extend in North Macedonia due to the frequent disruptions in the connections.

As for procedures, Serbia and North Macedonia did inform Albanian representatives as per the protocols about the intentions. Related to the administrative structure only Serbia has fully established bodies with specific names, North Macedonia is still at the expert level and Albania has not started the process yet. More details are summarized further in the text.

Albania:

- The observed speed of advancement in the implementation of the Agreement on the Conditions for Free Access to the Labor Market in the Western Balkans (from the signature of the agreement on 21/12/2021, approval Albania 02/02/2022, the signature of the first protocol 22/01/2024) was relatively slow. It took 762 days from the signing of the agreement to the signing of the first protocol for implementation.
- While it looks like something is being implemented in the e-services portal of the Republic of Albania, pages are not effectively working, and the Open Balkan ID application form is not present, nor is the application for the "Free access to the labor market" (they look more like test pages, rather e-services provided to citizens);
- There is no trace of approval from the Albanian authorities of the protocol signed (based on the detailed search on the official acts database, and informal information with formerly engaged public officials (for the completion of the other tasks).
- NOTE for Albania: There has been a change in the government structure (dissolution, merging, expanding of some line ministries, and it's a process in transition in view of the current elections), which might be a reason for further delays in the implementation of the protocols.

North Macedonia:

- Two services were established on the e-Government Portal: a) "My Open Balkan identification number" and b) "Approval for free access to the labor market".
- The online electronic service for registration has been established on the e-Government Portal and if it is already operational. But the online service is disrupted once in a while, due to periodic system failure and restored after the issues have been addressed.
- There are 54 unique profiles of citizens of Serbia and one unique profile of a citizens of Albania registered on the e-government portal.
- As of 29th of March, there are 33 applications from Serbian citizens and one request from Albanian citizens for the service "My Open Balkan identification number".
- According to the data obtained, the 33 applications of Serbian citizens are in the process of issuing a Unique identification number for foreigners from the Ministry of Interior Affairs.

Serbia:

• According to the Decision on the formation of the Working Group for the implementation of the Agreement on the conditions for free access to the labor market in the Western Balkans: 16/2024-10³, the Joint Working Group (JWG) has been formed. In addition, as per the same Decision, Mr.

³ <u>https://pravno-informacioni-sistem.rs/eli/rep/sgrs/vlada/odluka/2024/16/5</u>

Petar Janjić, from the General Secretariat of the Government has been appointed as the president of the JWG.

- According to the information provided by the Ministry of information and telecommunication and the Office for IT and e-government, on March 1, 2024, the Ministry of Foreign Affairs of the Republic of Serbia sent a diplomatic note informing the Depository of the Agreement the Government of the Republic of Albania about the individuals appointed as members of the Joint Commission.
- An online electronic service for registration has been established on the e-Government Portal and it has been operational since 5th of March. Currently there are more than 2.000 people who received their Open Balkan ID with which they can submit their application at Serbian e-government portal.
- When it comes to the number of applicants to Serbia, in the period up to March 5, 2024, a total of 70 requests for free access to the labor market were submitted on the Serbian e-government portal, of which 32 requests were approved and the applicants were provided with approvals for free access to the labor market as electronic documents, while the others are still being processed.

Assessment on the protocol on implementation of the interconnections od schemes for electronic identification of the citizens of the Western Balkans

ThisProtocolcanbefoundhere:https://vlada.mk/sites/default/files/dokumenti/Otvoren_Balkan/protokol_elektronska_identifikacija1.pdf.

Assessment questions:

x. If the Joint Working Group-JWG has been established for the implementation of the interconnections od schemes for electronic identification of the citizens of the Western Balkans

Albania	North Macedonia	Serbia
No	Yes. The Government nominated representatives of the Ministry of Interior Affairs, Ministry of Information Society and Media, Ministry of Labor and Social policy and the Employment	Yes
	Service agency. However, the research has not revealed if a trilateral Joint Committee has been established.	

xi. If a person with a duty to lead and to co-chair the JWG has been appointed

Albania	North Macedonia	Serbia
No	Not conclusive	Yes, Mr. Petar Janjić, from the General Secretariat of the Government.

xii. If information about the established JWG has been shared among the three OBI participating countries

Albania North Macedonia Serbia

No	The Ministry of Foreign Affairs of North	Yes. Only with Albania.
	Macedonia has informed the Ministry of	
	Europe and Foreign Affairs of Albania	
	that North Macedonia has fulfilled	
	internal conditions required by domestic	
	legislation for entry into force of the	
	implementation protocol.	

xiii. If the Protocol on implementation of the interconnections od schemes for electronic identification of the citizens of the Western Balkans entered into force as per the Article 4 of this Protocol

Albania	North Macedonia	Serbia
No	The Ministry of Foreign Affairs of North	Yes.
	Macedonia has informed the Ministry of	
	Europe and Foreign Affairs of Albania	
	that North Macedonia has fulfilled	
	internal conditions required by domestic	
	legislation for entry into force of the	
	implementation protocol.	

Expert assessment on the Protocol on implementation of the interconnections od schemes for electronic identification of the citizens of the Western Balkans (here make assessment following your desk research and the field work). Also, make expert FINAL assessment:

- If as per your informed expert opinion the protocol on interconnections will be ready to be implemented in the next 6 months
- If as per your informed expert opinion the protocol on interconnections will be ready to be implemented in the next 12 months
- If as per your informed expert opinion the protocol on interconnections will be ready to be implemented in the next 18 months

Ready to implement in:	Albania	North Macedonia*	Serbia
6 months		1	1
12 months		Î	
18 months	1		

*Assessed as ongoing.

Conclusions

Overall, Serbia is progressing most in enabling environment for free access of labor force market in the space of the three countries and as perceived with the two Protocols and overall Open Balkan Initiative. Serbia has fully established bodies with specific names, North Macedonia is still at the expert level and Albania does not start the process yet. Whereas Serbia's businesses sentiment is more optimistic about the implementation perspective of the protocols, the Albanian business community is more cautious. In North Macedonia, business community is with an open mind about the process. More details are summarized further in the text.

Albania:

- The observed speed of advancement in the implementation of the Agreement on the Implementation of the Interconnections of Schemes for Electronic Identification of the Citizens of the Western Balkans (from the signature of the agreement on 21/12/2021, approval 02/02/2022, and entry into force for Albania 10/02/2022, to the signature of the first protocol 22/01/2024) was relatively slow. It took 762 days from the signature of the agreement to the signature of the first protocol for implementation.
- The Open Balkan ID application form is not present (when searching on the services directory, it does not yield any results, and also the automatic assistant confirms that such a service cannot be found);
- There is no trace of approval from the Albanian authorities of the protocol signed (based on the detailed search on the official acts database, and informal information with formerly engaged public officials (for the completion of the other tasks).
- NOTE for Albania: There has also been a change in the government structure (dissolution, merging, expanding of some line ministries, and it's a process in transition in view of the current elections), which might be a reason for further delays in the implementation of the protocols.

North Macedonia:

- The Government of North Macedonia has already nominated representatives of the Ministry of Interior Affairs, Ministry of Information Society and Media, Ministry of Labor and Social policy and the Employment Service agency who will be responsible for the implementation and support provision to the implementation of the agreement on interconnections od schemes for electronic identification of the citizens of the Western Balkans. The list of representatives has been updated, with new appointees from Ministry of Interior Affairs and the Ministry of Information Society and Media in 2024. But, the Government decision does not specify which of the appointees have co-chair duties.
- The Ministry of Foreign Affairs of North Macedonia has informed the Ministry of Europe and Foreign Affairs of Albia, as depository of the agreement on the interconnections od schemes for electronic identification, that North Macedonia has fulfilled internal conditions required by domestic legislation for entry into force of the implementation protocol.

Serbia:

- According to the Decision on the formation of the Working Group for the implementation of the Agreement on connecting electronic identification schemes of the citizens of the Western Balkans: 16/2024-114, the Joint Working Group (JWG) has been formed.
- Mr. Petar Janjić, from the General Secretariat of the Government has been appointed as the president of the JWG.
- On March 1, 2024, the Ministry of Foreign Affairs of the Republic of Serbia sent a diplomatic note informing the Depository of the Agreement the Government of the Republic of Albania about the individuals appointed as members of the Joint Commission.
- According to the information provided by the Office for IT and e-government, all the necessary acts required for the implementation of the Agreement have come into effect.

⁴ <u>https://pravno-informacioni-sistem.rs/SIGlasnikPortal/eli/rep/sgrs/vlada/odluka/2024/16/6</u>

Annex 1. Overall expert rating system

Each expert assigns a rating from 1 to 5 to her/his country:

- For legislation, from 1 to 5 where qualification of 1 is for a full alignment of the national legislation/sub-legislation with the *Agreement on Conditions for Free Access to the Labor Market in the WB* including the ratification in the Parliament. Qualification of 5 is if there is a need of adopting new legislation. It is up to the expert to provide its own expert assessment from 1 to 5 depending on the level of assessed need for adopting/amending/changing legislation/sub-legislation related to free access to labor market in the country. Expert provide explanation for the rating.
- For procedures, from 1 to 5 where qualification of 1 is for a full alignment of the procedures regulated in legislation/sub-legislation with the *Agreement on Conditions for Free Access to the Labor Market in the WB*. Qualification of 5 is if there is a need of introducing a whole package of new procedures. It is up to the expert to provide its own expert assessment from 1 to 5 depending on the level of assessed need for introducing new procedures related to free access to labor market in the country. Expert provide explanation for the rating.
- For staff in need, from 1 to 5 where qualification of 1 is for a situation of enough existing human resources/staff to service the *Agreement on Conditions for Free Access to the Labor Market in the WB* at any institution. Qualification of 5 is if there is a need of introducing new systematization with new human resources/staff to be budgeted and employed in the institutions in order to service the *Agreement on Conditions for Free Access to the Labor Market in the WB*. It is up to the expert to provide its own expert assessment from 1 to 5 depending on the level of assessed need for new human resources/staff related to free access to labor market in the country. Expert provide explanation for the rating.
- For equipment in need, from 1 to 5 where qualification of 1 is for a situation of enough existing equipment to service the *Agreement on Conditions for Free Access to the Labor Market in the WB*. Qualification of 5 is if there is a need of budgeted and publicly procured a new equipment in the institutions in order to service the *Agreement on Conditions for Free Access to the Labor Market in the WB*. It is up to the expert to provide its own expert assessment from 1 to 5 depending on the level of assessed need for new equipment related to free access to labor market in the country. Expert provide explanation for the rating.

Thus, in total the minimum sum of the four ratings from above can be 4 and the maximum can be 20 (given that the range of discrete expert opinion rating is from 1 to 5 in the four categories: legislation, procedures, staff, equipment).

Presenting the final **<u>qualification</u>** related to the assessment of the administrative gap from the expert qualification will be depending on the following key for the administrative gap qualification for the country as it is presented in the next table:

the expert	Overall country rating of administrative gap for the Agreement on Conditions for Free Access to the Labor Market in the WB
The country is ready to assume implementation of the Agreement on Conditions for Free Access to the Labor Market in the WB with minor modifications	4-7
The country is somehow ready to assume implementation of the Agreement on Conditions for Free Access to the Labor Market in the WB with modifications in the legislation/sub- legislation and/or procedures introduction and/or new staff systematization and/or planning and procuring new equipment	8-12
The country is ready to assume implementation of the Agreement on Conditions for Free Access to the Labor Market in the WB with major modifications in the legislation/sub-legislation and/or procedures introduction and/or new staff systematization and/or planning and procuring new equipment	13-16
The country is not ready to assume implementation of the Agreement on Conditions for Free Access to the Labor Market in the WB and require major legislative actions, public finance planning and execution and public procurement planning and implementation	17-20